

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., <i>et al.</i>, Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (KJC)
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**FEE AUDITOR'S FINAL REPORT REGARDING APPLICATION
OF DELOITTE & TOUCHE LLP FOR FINAL ALLOWANCE AND
APPROVAL OF COMPENSATION AND EXPENSE REIMBURSEMENT
FOR THE PERIOD FROM FEBRUARY 3, 2003 THROUGH JUNE 30, 2008**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Application of Deloitte & Touche LLP for Final Allowance and Approval of Compensation and Expense Reimbursement for the Period from February 3, 2003 through June 30, 2008 (the "Application").

BACKGROUND

1. Deloitte & Touche LLP ("Deloitte & Touche") was retained to provide risk management and crisis management planning services to the Debtors and Debtors-in-Possession. In the Application, Deloitte & Touche seeks final approval of fees totaling \$1,813,199.54^{1, 2} and

¹We note that the total of the fees requested in Deloitte & Touche's six prior fee applications is \$1,813,361.04. It appears that Deloitte & Touche has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$1,813,199.54. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

²We note that although Deloitte & Touche requests final fees of \$1,813,199.54, we calculate Deloitte & Touche's final fees at \$1,813,200.04, for a difference of \$0.50. The reason for the discrepancy is that Deloitte & Touche's Application incorrectly lists its combined fee total for the Fourteenth and Twenty-Ninth Interim Periods as \$64,497.50, when it was actually \$64,498.00. *See* paragraph 4.

expenses totaling \$89,461.32³ for its services from February 4, 2003 through June 30, 2008 (the "Final Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Applications in their entirety, including each of the time and expense entries included in the exhibits to the Applications, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2014, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330, Issued January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

DISCUSSION

Final Application Period

3. We had no issues with, or objections to, Deloitte & Touche's fees and expenses for the Final Application Period, and thus we did not send an initial report to Deloitte & Touche.

Prior Interim Applications

4. We note that we previously filed the following final reports for Deloitte & Touche's prior interim applications, which final reports we incorporate by reference herein, and we also note the following orders that ruled on Deloitte & Touche's prior interim fee applications:

³We note that the total of the expenses requested in Deloitte & Touche's six prior fee applications is \$92,164.32. It appears that Deloitte & Touche has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$89,461.32. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

- 11th Period: Fee Auditor's Final Report Regarding Fee Application of Deloitte & Touche LLP for the Eleventh Interim Period (Docket #5690), filed on or about June 3, 2004, in which we recommended approval of fees totaling \$651,908.00 and expenses totaling \$21,394.00, reflecting our recommended reduction of \$367.00 in expenses, as further explained in paragraph 4 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Eleventh Period, dated June 16, 2004 (Docket #5822).
- 12th Period: Fee Auditor's Final Report Regarding Fee Application of Deloitte & Touche LLP for the Twelfth Interim Period (Docket #6075), filed on or about July 30, 2004, in which we recommended approval of fees totaling \$151,981.00 and expenses totaling \$50.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twelfth Period, dated September 27, 2004 (Docket #6465).
- 13th Period: Fee Auditor's Final Report Regarding Fee Application of Deloitte & Touche LLP for the Thirteenth Interim Period (Docket #6877), filed on or about November 10, 2004, in which we recommended approval of fees totaling \$543,118.04 and expenses totaling \$1,705.00, reflecting our recommended reduction of \$55.00 in expenses, as further explained in paragraph 3 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirteenth Period, dated January 26, 2005 (Docket #7622).
- 14th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications

with No Fee or Expense Issues for the Thirtieth Interim Period (Docket #21063), filed on or about March 21, 2009, in which we recommended approval of fees totaling \$34,843.00 and expenses totaling \$7,519.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirtieth Period, dated April 2, 2009 (Docket #21173).

28th Period: Fee Auditor's Final Report Regarding Fee Application of Deloitte & Touche LLP for the Twenty-Eighth Interim Period (Docket #19534), filed on or about September 15, 2008, in which we recommended approval of fees totaling \$401,695.00 and expenses totaling \$58,006.13, reflecting our recommended reductions of \$161.00 in fees and \$2,281.00 in expenses, as further explained in paragraphs 3 and 4 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Ninth Period, dated December 17, 2008 (Docket #20283).

29th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirtieth Interim Period (Docket #21063), filed on or about March 21, 2009, in which we recommended approval of fees totaling \$29,655.00 and expenses totaling \$787.19. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirtieth Period, dated April 2, 2009 (Docket #21173).

5. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods.

CONCLUSION

6. Thus, we recommend final approval of \$1,813,200.04 in fees (\$1,813,199.54⁴ plus \$0.50)⁵ and \$89,461.32⁶ in expenses for Deloitte & Touche's services for the Final Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.



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FEE AUDITOR

⁴We note that the total of the fees requested in Deloitte & Touche's six prior fee applications is \$1,813,361.04. It appears that Deloitte & Touche has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$1,813,199.54. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁵This \$0.50 adjustment is to correct an error in Deloitte & Touche's final fee request. *See* n. 2.

⁶We note that the total of the expenses requested in Deloitte & Touche's six prior fee applications is \$92,164.32. It appears that Deloitte & Touche has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$89,461.32. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 1st day of July, 2014.

A handwritten signature in blue ink, appearing to read "W. H. Smith", is positioned above a horizontal line.

Warren H. Smith

SERVICE LIST

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